

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 TRSE-00 CIAE-00 INR-10
NSAE-00 SP-02 STR-07 L-03 /053 W
-----084507 221454Z /43 41

P R 221250Z MAR 78
FM AMEMBASSY KUWAIT
TO USDOC WASHDC PRIORITY
INFO SECSTATE WASHDC 517
AMEMBASSY ABU DHABI
AMEMBASSY ATHENS
AMEMBASSY BRUSSELS
AMEMBASSY JIDDA
AMEMBASSY LONDON
AMEMBASSY TEHRAN

LIMITED OFFICIAL USE SECTION 1 OF 2 KUWAIT 1707

COMMERCE FOR ITA/BED/CAGNE

DEPARTMENT PASS TREASURY

DEPT. FOR NEA/ARP AND EB/TCA

E.O. 11652: N/A
TAGS: BEXP, KU
SUBJECT: DOHA WEST POWER PLANT: WESTINGHOUSE LACK OF INTEREST

REF: (A) KUWAIT 1675 (NOTAL), (B) KUWAIT 1526 (NOTAL),
(C) 77 KUWAIT 7076 (NOTAL)

1. SUMMARY: AT TIME WHEN WE ARE URGED TO GIVE TRADE PROMOTION
HIGHEST PRIORITY, GIVEN OUR TRADE DEFICIT, WE ARE AMAZED BY
APPARENT LACK OF US FIRM INTEREST IN BIDDING ON \$1.1
BILLION KUWAIT POWER PROJECT. THE KUWAITIS HAVE EVEN
ENCOURAGED US TO BID ON THIS PROJECT, BUT ONE US FIRM
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(WESTINGHOUSE) HAS ALREADY DECLINED TO BID. REQUEST USDOC
VIGOROUSLY PROMOTE THIS MAJOR TRADE OPPORTUNITY. IF THE
JAPANESE OR OTHERS WIN THIS ONE, IT IS LIKELY TO BE
BECAUSE OF AMERICAN TIMIDITY OR DISINTEREST AND IN-ACTION.
DO WE WANT TO PROMOTE EXPORTS OR DON'T WE? END SUMMARY

2. KHALID MISHARI, AGENT FOR 30 YEARS FOR WESTINGHOUSE,

RELATED THE FOLLOWING INFORMATION TO EMBOFF CONCERNING WESTINGHOUSE'S LACK OF INTEREST IN BIDDING ON THE DOHA WEST 1.1 BILLION DOLLAR POWER PLANT PROJECT (REFTELS).

3. DURING VISIT OF WESTINGHOUSE REPRESENTATIVES JOHN J. MEILI, AREA MANAGER BUSINESS DEVELOPMENT-POWER SYSTEMS PROJECT DIVISION AND ROBERT E. HUGHES, VICE PRESIDENT-POWER SYSTEMS MIDDLE EAST, MR. MISHARI ARRANGED A NUMBER OF APPOINTMENTS FOR THEM WITH MINISTRY OF ELECTRICITY AND WATER (MEW) OFFICIALS TO DISCUSS THE \$1.1 BILLION DOHA WEST POWER PLANT PROJECT AND TO ANSWER A NUMBER OF THEIR INQUIRIES. WESTINGHOUSE REPRESENTATIVES RAISED THE PROBLEM OF BOYCOTT LANGUAGE IN THE TENDER AND WERE INFORMED BY MEW OFFICIAL THAT, IF WESTINGHOUSE WOULD SUBMIT A STATEMENT OF RESERVATION IN THE TENDER DOCUMENT STATING THAT THEY COULD NOT COMPLY BECAUSE IT WOULD VIOLATE U.S. LAW REGARDING BOYCOTTS, THE MINISTRY WOULD DROP BOYCOTT LANGUAGE FROM THE TENDER.

4. THE WESTINGHOUSE REPRESENTATIVES THEN RAISED THE ISSUE OF BID BOND AND PERFORMANCE GUARANTEES. MR. MISHARI INTRODUCED REPRESENTATIVES FROM THE NATIONAL BANK OF KUWAIT AND THE GULF BANK OF KUWAIT WHO INFORMED WESTINGHOUSE REPS THAT BOTH BANKS WOULD BE MORE THAN READY TO PROVIDE ALL GUARANTEES FOR THIS PROJECT FOR WESTINGHOUSE.

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5. WESTINGHOUSE REPS THEN STATED THAT COMPANY DID NOT WANT TO BE PAID IN KD FOR THIS PROJECT; THEY WERE THEN INFORMED THAT A CONTRACT FOR DOLLARS COULD BE TAKEN OUT IN THEIR ACCOUNT.

6. WESTINGHOUSE ASKED MISHARI TO SUBMIT COPIES OF THE TENDER ONCE AVAILABLE. THIS HE DID ON MARCH 15, 1978. AFTER SENDING A TELEX ON MARCH 16 TO WESTINGHOUSE POWER SYSTEMS PROJECTS DIVISION IN PITTSBURGH, PA. CONCERNING THE IMPENDING ARRIVAL OF TENDER DOCUMENTS, MR. MISHARI RECEIVED A TELEX FROM WESTINGHOUSE STATING THAT WESTINGHOUSE DID NOT INTEND TO BID ON THE DOHA WEST POWER STATION PROJECT.

7. COMMENT: WHILE IT MAY BE THAT WESTINGHOUSE HAS DIFFICULTIES WITH MR. MISHARI OF WHICH WE ARE UNAWARE, WE FIND IT DIFFICULT TO BELIEVE THAT A MAJOR U.S. FIRM WOULD BE SO UNINTERESTED IN COMPETING FOR SUCH A MAJOR CONTRACT, ESPECIALLY SINCE MEW IS DEEPLY INTERESTED IN HAVING AN AMERICAN FIRM BID AND WIN THE PROJECT AND HAS INDICATED THAT OBSTACLES WOULD BE SMOOTHED FROM THE PATH OF SUCH A FIRM.

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-----084537 221455Z /41

P R 221250Z MAR 78
FM AMEMBASSY KUWAIT
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AMEMBASSY ABU DHABI
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COMMERCE FOR ITA/BED/ CAGNE

DEPARTMENT PASS TREASURY

DEPT. FOR NEA/ARP AND EB/TCA

8. TO DATE WE HAVE RECEIVED NO INDICATION FROM USDOC OR
STATE THAT ANY U.S. FIRMS ARE INTERESTED IN DOHA WEST
POWER PROJECT. WE HAD THOUGHT, GIVEN OUR ENORMOUS
BALANCE OF TRADE DEFICIT AND THE RESULTING PROBLEM
FOR THE DOLLAR, THAT ONE OF THE HIGHEST USG PRIORITIES
WAS TRADE PROMOTION. IF THIS IS THE CASE, THE MESSAGE
DOESN'T SEEM TO HAVE GOTTEN THROUGH ON THIS MAJOR TRADE
OPPORTUNITY.

9. ACTION REQUESTED: USDOC URGE WESTINGHOUSE TO
RECONSIDER ITS DECISION RE DOHA WEST AND URGE OTHER US
FIRMS TO CONSIDER BIDDING ON THIS BILLION DOLLAR TRADE
OPPORTUNITY.

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MAESTRONE

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Message Attributes

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Status: NATIVE
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